

Fairfield County, Ohio

Citizens' Report



Mink Hollow Covered Bridge

Popular Annual Financial Report

For the Year Ended December 31, 2004

Issued by Barbara Curtiss
Fairfield County Auditor

Front Cover Photo: The Mink Hollow Covered Bridge is one of sixteen surviving covered bridges in Fairfield County. At one time there were more than 220 covered bridges in the county, more than any other county in Ohio, a title that it still holds today. Located at Meister and Crooks Roads in Hocking Township, the Mink Hollow Bridge was built in 1887 and carried motorized traffic until it was bypassed in 1991. The bridge exhibits the multiple kingpost style of truss. Although diminutive by some standards at only 51 feet in length, the bridge boasts the longest official name of any covered bridge in the United States. Its official title is: "The Mink Hollow Covered Bridge in Oil Mill Hollow over Arney Run near Borchers' Mill." The bridge is owned and maintained by the Fairfield County Park District, 407 East Main Street, Lancaster. For more information about other covered bridges and historical attractions in Fairfield County, phone (740) 681-7249 or check the Parks' website at www.historicalparks.org.

Photo Credit and Thanks to: Peggy Corbin

Additional copies of this report may be obtained from:
Fairfield County Auditor's Office
210 E. Main Street
Lancaster, Ohio 43130

Phone requests can be made at (740) 681-7160 or (740) 681-7225 (fax).

A .PDF version of this report is available online at:
<http://www.co.fairfield.oh.us/AUDITOR/index.htm>

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AWARDS

Fairfield County participates in various awards programs sponsored by the Government Finance Officer's Association (GFOA). Each individual program has certain requirements that must be met in order to qualify. During fiscal year 2004, the County received the following financial awards:

Certificate of Achievement for Excellence in Financial Reporting

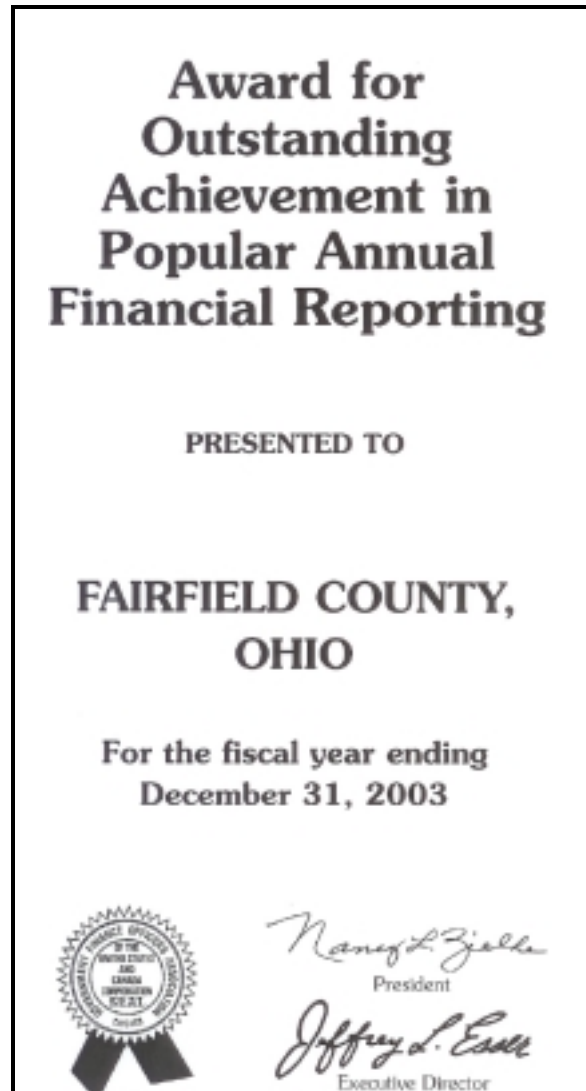
Given for outstanding preparation of the Comprehensive Annual Financial Report

The County received this award in 2004 for the 15th consecutive year.

Award for Outstanding Achievement in Popular Annual Financial Reporting

Given for outstanding preparation of the Popular Annual Financial Report

The County received this award in 2004 for the third consecutive year.





Barbara Curtiss

FAIRFIELD COUNTY AUDITOR

210 East Main Street
Lancaster, Ohio 43130-3882

Voice (740) 687-7021
Fax (740) 687-6781

Citizens of Fairfield County

I am pleased to present the Fairfield County, Ohio Citizens' Report, also known as our popular annual financial report (PAFR), for the year ended December 31, 2004. This report provides a brief analysis of the sources of County revenues and where those dollars are spent, the County's financial position, and an overview of local economic trends. Above all, it is designed to present a more readable and understandable financial report.

The information in this report was drawn from the financial information appearing in the 2004 Fairfield County Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with generally accepted accounting principles (GAAP) and was audited by the Ohio Auditor of State, receiving an unqualified opinion. An unqualified opinion means that the general purpose financial statements of the County are fairly presented in all material respects. The CAFR consists of more than 250 pages of detailed financial statements, notes, schedules, and reports.

This popular report is a condensed, more user-friendly financial report intended to provide highlights of the primary government from the County's CAFR. The CAFR contains information from all Fairfield County funds and is designed to bring greater awareness of the financial condition of our county to its citizens and other interested parties.

The popular report, however, is unaudited and is presented on a non-GAAP basis. The major differences between GAAP and non-GAAP reporting deals with not including component units and in the presentation of segregated funds, as well as full disclosure of all material financial and non-financial events in notes to the financial statements. Individuals who desire to review GAAP basis, full disclosure financial statements should refer to the County's CAFR, which is available from the County Auditor's office and online at www.co.fairfield.oh.us/AUDITOR/index.htm.

The Fairfield County Citizens' Report is presented as a means of enhancing the public's confidence in County government and the stewardship of its elected officials through easier, more reader-friendly financial reporting. As you review the following pages, I invite you to share any questions, concerns, or recommendations you may have. Please call the Fairfield County Auditor's Office with questions, comments, or suggestions regarding this report at (740) 687-7160.

Sincerely,

Barbara Curtiss

Barbara Curtiss
Fairfield County Auditor

HOW TO CONTACT US

Fairfield County Website

www.co.fairfield.oh.us

ELECTED OFFICIALS

Board of Commissioners

Judith K. Shupe (740) 687-7195
Jon D. Myers (740) 687-7198
Mike Kiger (740) 687-7199

Auditor

Barbara Curtiss (740) 687-7027

Clerk of Courts

Ron Balsler (740) 687-7113

Coroner

Dr. Thomas R. Vajen (740) 687-6774

Engineer

Frank Anderson (740) 687-7050

Prosecutor

David L. Landefeld (740) 653-4259

Recorder

Gene Wood (740) 687-7100

Sheriff

Dave Phalen (740) 653-5223

Treasurer

Jon Slater, Jr. (740) 687-7140

Court of Common Pleas:

General

Judge Richard Berens (740) 687-7059
Judge Chris A. Martin (740) 687-7040

Court of Common Pleas:

Probate and Juvenile

Judge Steven O. Williams (740) 687-7135

Court of Common Pleas:

Domestic Relations

Judge S. Farrell Jackson (740) 687-7087

PRINCIPAL APPOINTED OFFICIALS AND DEPARTMENT HEADS

Clerk of County Commissioners

Jacqueline Long (740) 687-7191

Human Resources Director

Aundrea Cordle (740) 687-6705

Board of Elections Director

Alice Nicolia (740) 687-7000

Buildings and Grounds Superintendent

Joe Spybey (740) 687-6772

Dog Warden

Mike Miller (740) 653-4582

Sanitary Engineer

Donald Rector (740) 687-7014

Department of Job and Family Services Director

Michael Orlando (740) 687-6725

Alcohol, Drug Addiction and Mental Health Board Director

Orman Hall (740) 654-0829

Mental Retardation and Developmental Disabilities Board Superintendent

John Pekar (740) 687-7244

Emergency Services Administrator

Tom Moe (740) 654-2217

Health Commissioner

Franklin Hirsch (740) 653-4489

Veteran Services Director

Eddie Mohler (740) 687-7121

Fairfield County Airport Authority President

David Scheffler (740) 746-9330

FINANCIAL OVERVIEW

Fairfield County, Ohio

The County's financial activities are accounted for primarily in the governmental funds where the focus is not profit or loss, but rather on services rendered and the cost to provide those services. The County's business-type activities, similar to those found in the private sector, are accounted for in the Sewer and Water enterprise funds operations.

Revenues are monies the County receives from a variety of sources to pay for the services it provides.

Program revenues include:

- *Charges for services* – licenses, permits, and other fees, fines, forfeitures, and charges paid by the recipients of goods or services offered by County programs.
- *Operating (and Capital) grants and contributions* – grants and contributions received from other governments, organizations and individuals that are restricted in some manner; investment earnings that are restricted to meeting the operational or capital requirements of a particular program.

General revenues are those revenues that are not classified as program revenues. All taxes, even those that are levied for a specific purpose, are considered general revenues.

Expenses are the amounts spent to provide services to citizens.

Legislative and executive expenses are the costs incurred for the County's administrative offices, including the Auditor, Commissioners, Treasurer, Prosecutor, and Recorder.

Judicial expenses are the costs of administering justice through the Fairfield County Courts system.

Public safety expenses are the costs of the Coroner, Probation, and Sheriff's departments.

Public works expenses are the costs incurred by the Engineer to maintain county roads and bridges.

Health expenses include services provided by the Board of Mental Retardation/Developmental Disabilities, Dog and Kennel, and the Alcohol, Drug Addiction and Mental Health Board.

Human services expenses are the costs of operating the Job and Family Services department.

Urban redevelopment and housing expenses are the costs of the urban improvement program.

Transportation expenses are costs related to the Fairfield County Airport.

Intergovernmental expenses are transfers and payments made to other governments, including local governments in the county.

Interest and fiscal charges expenses are interest and principal payments made for County debt.

Sewer and water expenses are the costs to operate the County's business-type activity, providing sewer and water services to ever growing portions of the county.

FINANCIAL ACTIVITY STATEMENT

Fairfield County, Ohio

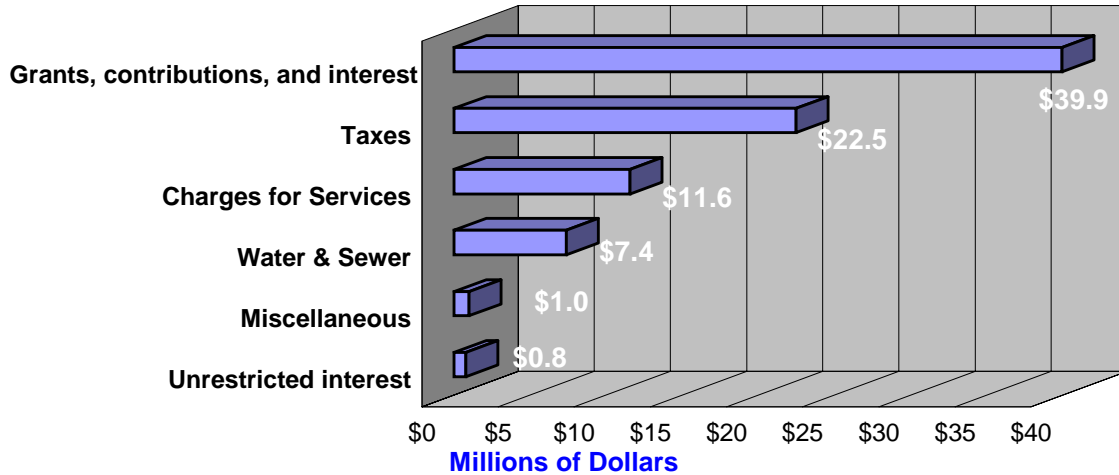
The **Changes in Net Assets Statement**, traditionally known by many as the income statement, is designed to provide a record of the money received and spent by the County during the past year.

	Govern- mental Activities	Business- type Activities	Total Primary Government
Changes in Net Assets			
For the Year Ended December 31, 2004			
REVENUES			
Program Revenues			
Charges for services.....	\$ 11,552,298	\$ 4,651,013	\$ 16,203,311
Operating grants, contributions, and interest.....	32,888,932	-	32,888,932
Capital grants, contributions, and interest.....	3,687,365	2,581,294	6,268,659
General Revenues			
Taxes:			
Property and other taxes.....	12,123,332	-	12,123,332
Sales taxes.....	10,339,538	-	10,339,538
Unrestricted grants and entitlements.....	3,342,887	-	3,342,887
Unrestricted interest.....	774,154	128,949	903,103
Other.....	988,932	6,943	995,875
Total Revenues.....	<u>75,697,438</u>	<u>7,368,199</u>	<u>83,065,637</u>
EXPENSES			
General government:			
Legislative and executive.....	10,206,147	-	10,206,147
Judicial.....	4,444,334	-	4,444,334
Public safety.....	12,492,107	-	12,492,107
Public works.....	10,568,677	-	10,568,677
Health.....	17,762,238	-	17,762,238
Human services.....	15,358,784	-	15,358,784
Urban redevelopment and housing.....	480,921	-	480,921
Transportation.....	184,618	-	184,618
Intergovernmental.....	2,288,812	-	2,288,812
Interest and fiscal charges.....	1,118,473	-	1,118,473
Business-type activities:			
Sewer.....	-	2,788,141	2,788,141
Water.....	-	2,230,436	2,230,436
Total Expenses.....	<u>74,905,111</u>	<u>5,018,577</u>	<u>79,923,688</u>
Increase (decrease) in net assets before transfers.....	792,327	2,349,622	3,141,949
Transfer in (out).....	(1,481,771)	1,481,771	-
Increase (decrease) after transfers.....	(689,444)	3,831,393	3,141,949
Net assets - beginning of year	180,649,708	33,065,452	213,715,160
Net assets - end of year.....	<u>\$ 179,960,264</u>	<u>\$ 36,896,845</u>	<u>\$ 216,857,109</u>

WHERE THE MONEY CAME FROM

Fairfield County Revenues for 2004

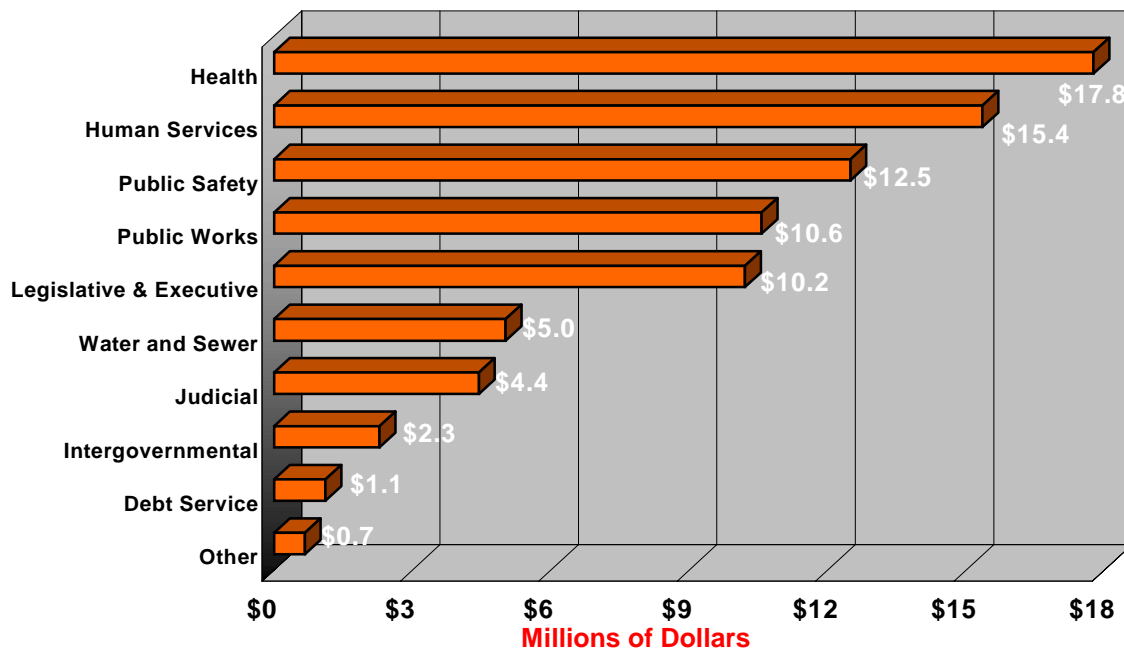
\$83,065,637



WHERE THE MONEY WAS SPENT

Fairfield County Expenditures for 2004

\$79,923,688



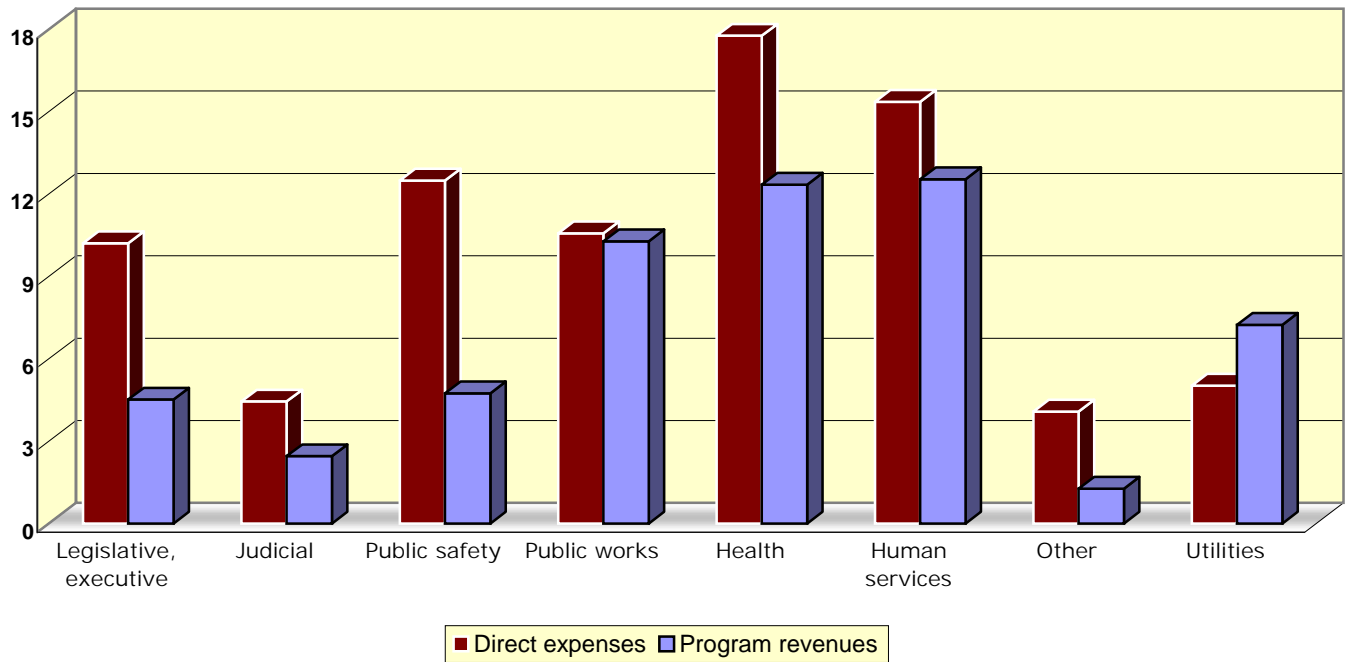
COUNTY PROGRAM ACTIVITIES

Fairfield County, Ohio

This chart compares direct expenses and program revenues for each major function of the County. **Direct expenses** are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. **Program revenues** include (1) charges paid by the recipient of the goods or services and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or else draws from the general revenues of the County.

Direct Expenses and Program Revenues
(amounts in millions)



FINANCIAL POSITION STATEMENT

Fairfield County, Ohio

The **Statement of Net Assets**, traditionally known by many as the balance sheet, is designed to provide a picture of the major components of the primary government's financial position at the end of the year.

Statement of Net Assets			
December 31, 2004			
	Governmental Activities	Business-type Activities	Total
Assets			
Cash.....	\$ 33,093,412	\$ 7,639,303	\$ 40,732,715
Receivables.....	32,412,268	883,683	33,295,951
Capital assets.....	161,401,854	57,341,250	218,743,104
Other assets.....	3,771,783	366,017	4,137,800
Total Assets.....	<u>230,679,317</u>	<u>66,230,253</u>	<u>296,909,570</u>
Liabilities			
Accrued wages and benefits.....	1,403,800	50,428	1,454,228
Payables.....	2,868,877	459,326	3,328,203
Due to other funds and governments.....	1,049,002	61,378	1,110,380
Notes, bonds, loans, leases payable, and compensated absences.....	29,570,663	28,412,803	57,983,466
Other liabilities.....	15,826,711	349,473	16,176,184
Total Liabilities.....	<u>50,719,053</u>	<u>29,333,408</u>	<u>80,052,461</u>
Net Assets - excess of Assets over Liabilities.....	<u>\$ 179,960,264</u>	<u>\$ 36,896,845</u>	<u>\$ 216,857,109</u>

Assets are those items owned by the County that will provide a benefit in the future.

Cash is the amount of physical cash held by the County in checking accounts and on hand for purposes of paying expenses.

Receivables represent the amounts that are owed to the County and are expected to be paid over the course of the next twelve months.

Capital assets represents furniture, equipment, vehicles, land, buildings, water and sewer equipment, and the County's roads and bridges infrastructure that provide for an economic benefit to the County of more than one year.

Liabilities are those items that the County owes to individuals, companies, other governments, and lenders.

Accrued wages and benefits are those payments that the County owes to employees for salaries, the associated benefits, and accrued leave.

Payables are those payments that the County owes to companies or individuals who supply services or goods to the County.

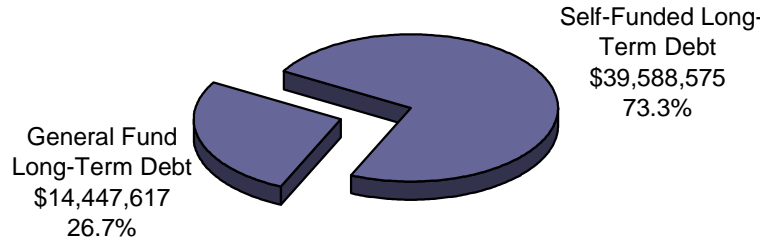
Due to other funds and governments are primarily the amounts owed to other funds or entities of the County from property taxes. The remainder is amounts owed to other governments outside the County for goods or services provided by them to the County.

Notes, bonds, loans, leases payable, and compensated absences are the amounts owed for the issuance of debt and compensation absences on which the County still owes.

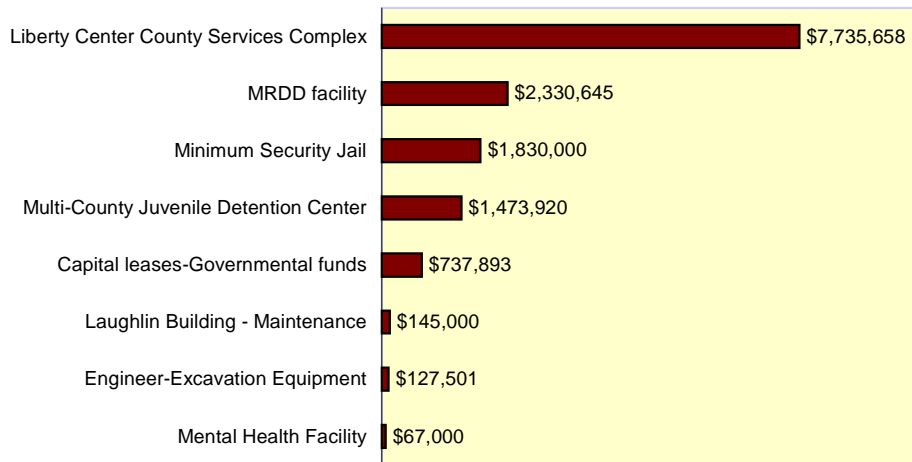
THE COUNTY'S LONG-TERM DEBT

Fairfield County, Ohio
As of December 31, 2004

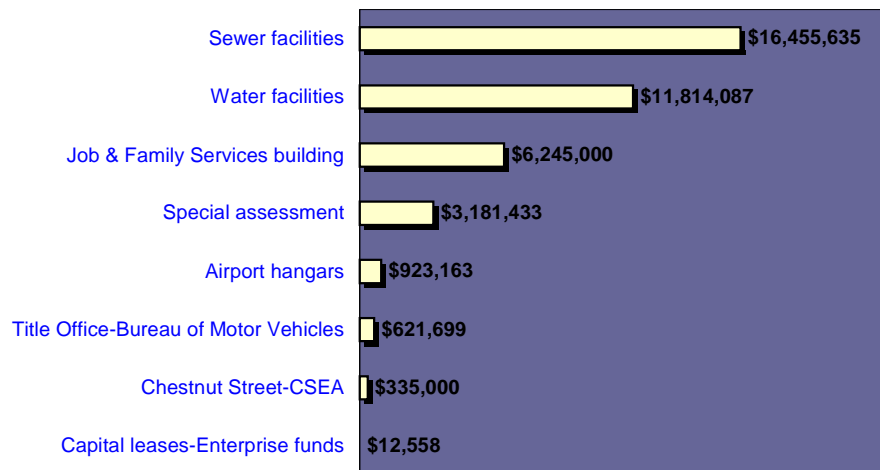
Total Long-Term Debt — \$54,036,192



General Fund Long-Term Debt — \$14,447,617



Self Funded Long-Term Debt — \$39,588,575



THE COUNTY'S DEBT INSTRUMENTS

Fairfield County, Ohio

As of December 31, 2004

The County employs the use of several different types debt instruments for short and long-term financing.

Bond Anticipation Notes are short-term debt instruments due in one year or less and are issued to raise money for County projects. These notes are converted into bonds after a short period of time.

General Obligation Bonds are long-term debt instruments that are repaid from the County's general revenue sources. They are backed by the full faith and credit of the County.

Special Assessment Bonds are issued to pay for improvements benefiting property owners. The property owners repay the County over a period of years for the debt.

Long-Term Loans are debt instruments issued by the State of Ohio for various public works projects. The County's Sewer Fund will repay 74% of these balances, with the remainder to be paid by the General Fund.

Capital Leases are contracts made by the County's departments for the acquisition of assets such as copiers, mail machines, and so forth. The departments pay for these contracts from their annual budgets.

SUMMARY OF DEBT OBLIGATIONS

For the Year Ended December 31, 2004

SUMMARY

	Balance at 12-31-2003	Additions	Deletions	Balance at 12-31-2004
Bond Anticipation Notes.....	\$ 15,800,000	\$ 14,618,715	\$ 20,118,715	\$ 10,300,000
General Obligation Bonds.....	35,126,020	3,912,837	1,317,549	\$ 37,721,308
Special Assessment Bonds.....	1,847,000	1,541,201	206,768	\$ 3,181,433
Long-Term Loans.....	2,591,993	650,693	1,159,686	\$ 2,083,000
Capital Leases.....	939,189	223,287	412,025	\$ 750,451
	<u>\$ 56,304,202</u>	<u>\$ 20,946,733</u>	<u>\$ 23,214,743</u>	<u>\$ 54,036,192</u>

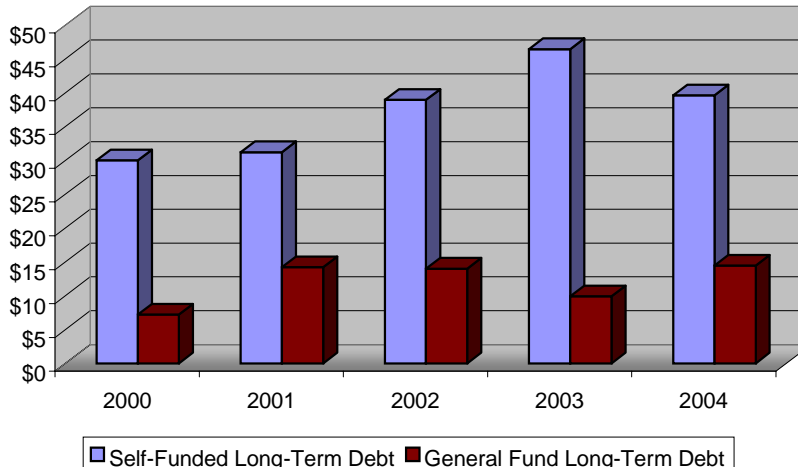
Allocation of County Debt

	Percent	Amount
Governmental Funds	47.7%	\$ 25,753,912
Water and Sewer Funds (self-funded)	52.3%	28,282,280
		<u>\$ 54,036,192</u>

DEBT OUTSTANDING TREND ANALYSIS

Past Five Years

In Millions

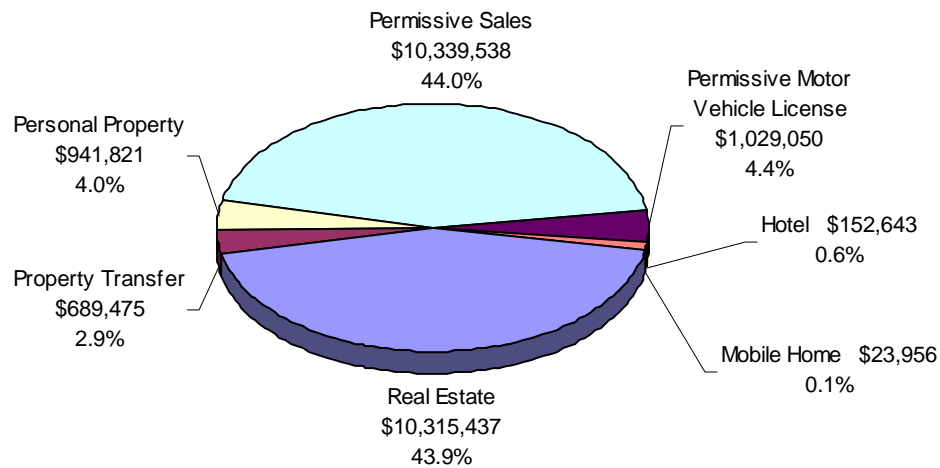


TAX REVENUES

Fairfield County, Ohio

During 2004, the County's governmental activities received \$22.5 million in tax revenue and \$75.7 million in total revenues. Property taxes (real property, tangible personal property, and public utility taxes) account for \$12.1 million, or 16.0 percent, of total revenues. Sales taxes provided \$10.3 million, or 13.7 percent, of total revenues.

Breakdown of Tax Collections in 2004 \$23,491,920



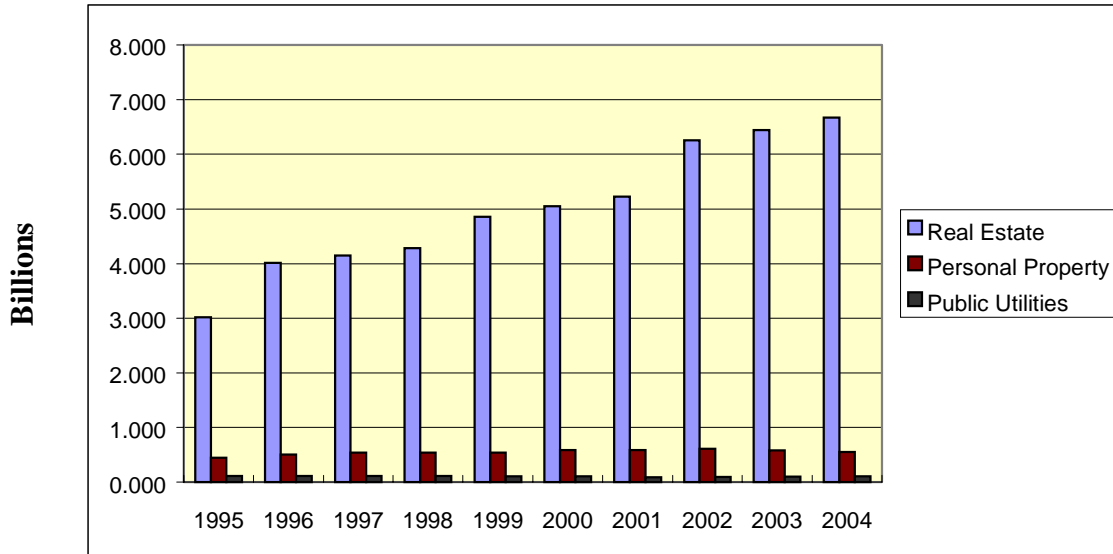
Ten Largest Taxpayers in 2004

Enterprise	Nature of Business	Value To Be Taxed
Columbia Gas Transmission	Natural gas utility	\$26,721,540
Ohio Power	Electric utility	\$25,569,700
Glimcher Holdings (includes Glimcher Centers LTD)	Real estate partnership	\$20,792,840
South Central Power	Electric utility	\$17,993,400
Anchor Hocking Glass Corporation	Glass manufacturer	\$16,674,180
Ohio Bell Telephone	Telephone utility	\$11,768,770
Meijer, Inc.	Retailer	\$9,489,560
Ralston Food Inc.	Food processor	\$9,258,840
Anyi Apartments LLC	Residential	\$7,568,750
Dominion Homes Inc.	Real estate	\$7,422,440

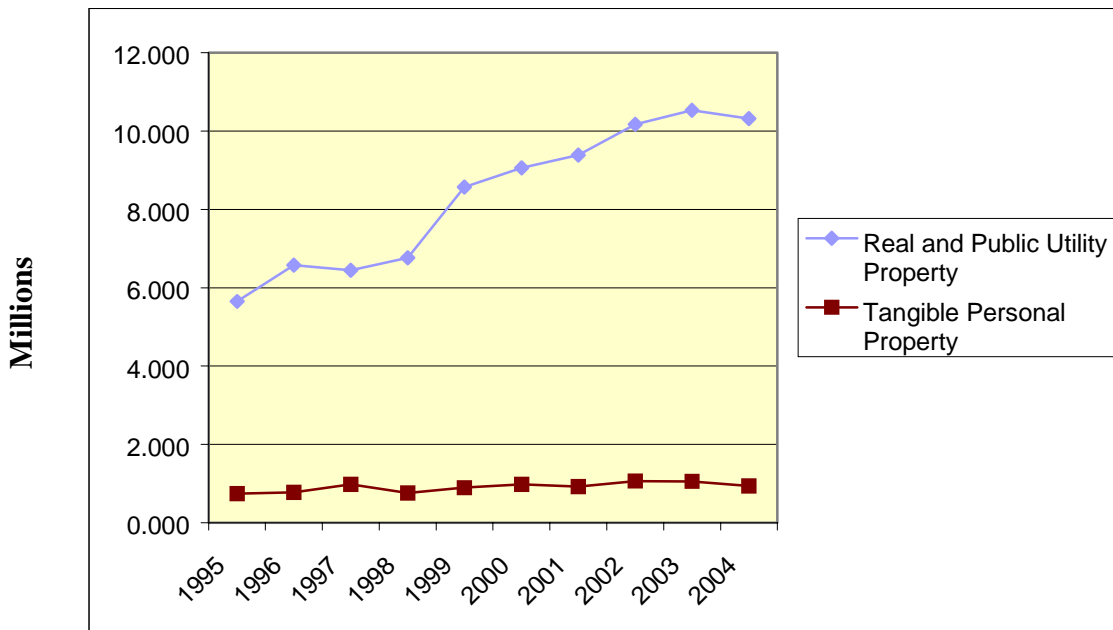
PROPERTY VALUES AND TAX COLLECTIONS

Fairfield County, Ohio

Property Values for the Last Ten Years

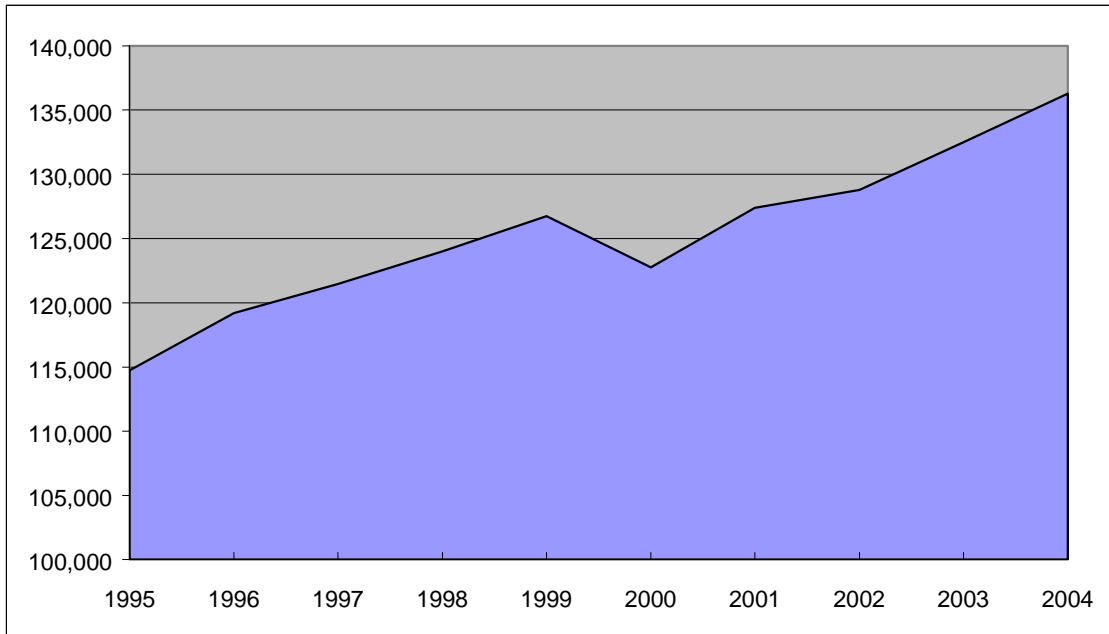


Property Tax Collections for the Last Ten Years



Tax collections for the years 1994-2002 are presented on the modified accrual basis of accounting. With the implementation of GASB Statement No. 34 in 2003, the tax collections for that year and all subsequent years are presented on the accrual basis of accounting.

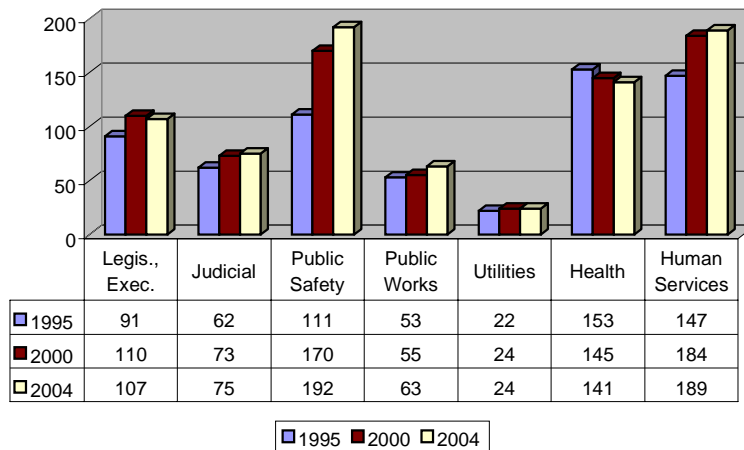
COUNTY POPULATION



The 2000 population figure is an actual count – from the U. S. Census Bureau. The years 1994–1999 and 2001 are estimates, annually provided by the U.S. Census Bureau. The Ohio Department of Development provided the estimates for 2002-2004.

COUNTY EMPLOYEE WORKFORCE

By Function of Government



These employees are paid from revenues in the general governmental funds and in the enterprise funds.